

PUBLIC WORKS COMMITTEE

DATE: September 7, 2006

CALLED TO ORDER: 5:00 p.m.

ADJOURNED: 5:59 p.m.

ATTENDANCE

ATTENDING MEMBERS

Lonnell Conley, Chairman
Patrice Abduallah
Ginny Cain
Scott Keller
Dane Mahern
Angela Mansfield
Mary Moriarty Adams

ABSENT MEMBERS

James Bradford
Mike Speedy

AGENDA

PROPOSAL NO. 200, 2006 - reappoints Herb Bazemore to the Marion County
Stormwater Management Technical Advisory Committee
"Do Pass"

Vote: 6-0

BUDGET HEARING

Review and Analysis

PROPOSAL NO. 432, 2006 - adopts the annual budget for the Solid Waste Collection
Special Service District for 2007
"Do Pass As Amended"

Vote: 7-0

PROPOSAL NO. 436, 2006 - adopts the annual budget for Indianapolis and Marion
County for 2007 (Public Works portion only)
"Do Pass As Amended"

Vote: 7-0

PUBLIC WORKS COMMITTEE

The Public Works Committee of the City-County Council met on Thursday, September 7, 2006. Chairman Lonnell Conley called the meeting to order at 5:00 p.m. with the following members present: Patrice Abdullah, Ginny Cain, Scott Keller, Dane Mahern, and Angela Mansfield. Mary Moriarty Adams arrived shortly thereafter. James Bradford and Mike Speedy were absent. Bart Brown, Chief Financial Officer, represented Council staff.

PROPOSAL NO. 200, 2006 - reappoints Herb Bazemore to the Marion County Stormwater Management Technical Advisory Committee

Mr. Bazemore said that he appreciates the Committee's indulgence in postponing the proposal several times due to previous scheduling conflicts. He stated that he does a lot of travel with his job and was called out of town and could not make the last meeting. He said that he served previously on the school board and is looking forward to serving on the Stormwater Management Technical Advisory Committee, as it is now becoming more active. He said that he is a resident of Decatur Township, where there has been a lot of growth and development, and he wants to participate and do his part to keep Marion County a growing, thriving community.

Chairman Conley said that the Council appreciates all of its volunteers, and he appreciates Mr. Bazemore's willingness to serve in this capacity.

Councillor Abdullah stated that he welcomes a man of Mr. Bazemore's interests and background to this committee. He said that he was encouraged that even though Mr. Bazemore was not able to attend the last Public Works Committee to confirm his appointment, he was able to attend the most recent Stormwater Advisory Committee meeting.

Councillor Abdullah moved, seconded by Councillor Cain, to send Proposal No. 200, 2006 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

BUDGET HEARING

Review and Analysis

PROPOSAL NO. 432, 2006 - adopts the annual budget for the Solid Waste Collection Special Service District for 2007

Chairman Conley stated that he believes the Office of Finance and Management has some amendments that need to be offered for the budget proposals. He asked Robert Clifford, City Controller, and Jeff Seidenstein, Deputy Controller, to explain these changes.

Mr. Clifford said that each member should have a copy of a proposed amendment before them (Exhibit A). He said that the changes are highlighted in these copies. These changes are primarily due to the 3% salary increase for employees who are not represented by a bargaining unit. Mr. Seidenstein clarified that there was an error in the original budget, and money was budgeted in Character 01 for union employees. This money was taken out and then 3% pay raises were added back in for non-union employees. The negotiations for union contracts are still taking place, and those numbers have not yet been determined. He said that the other change is due to funds being added for the 3% increase for two Indianapolis Metropolitan Police Department (IMPD) employees (formerly Indianapolis Police Department employees), who work for the department to enforce the Code regarding trash and illegal dumping.

[Clerk's Note: Councillor Moriarty Adams arrived at 5:05 p.m.]

Mr. Clifford said other changes include the tax rate being added to page two and the assessed valuation being added to page three, which was previously left blank. He said that they reduced the estimate by 15% to take a more conservative approach. They know the City will lose 5% because of the loss of inventory tax, and another 5% because of the one-time Homestead Credit. He said that with the trends of reassessment, there is no real good gauge, but another 5% could be lost there; and therefore, they have taken a conservative approach in their estimates. The Department of Local Government and Finance (DLGF) will adjust that number once the true assessed valuation is known, along with the tax rate. Mr. Clifford said that this number is always an estimate, and they have used a conservative estimate to be consistent with all taxing districts to insure they will get the revenues they need to fund next year's budget.

Councillor Moriarty Adams asked if the DLGF can change both the assessed valuation number and the tax rate. Mr. Clifford said that they will adjust the assessed valuation number based on assessments and they can only decrease the tax rate, but cannot increase it. He said that the City cannot afford for them to decrease the tax rate by even a millionth of a cent. He said that there is a lot of tax restructuring going on, with the inventory tax being eliminated, the Homestead Credit, and other trending. Homeowners in moderate homes and businesses with high levels of inventory will probably see their taxes decrease, while other businesses with low inventory or homeowners in high growth areas will see increases. He said that it is hard to predict, and other cities are dealing with the same problem.

Chairman Conley asked about the timeline for assessments. Mr. Clifford said that assessments probably will not be available until November or December, but the City

has to prepare and pass the budget and submit it to DLGF on time. He said the DLGF will then adjust the numbers based on the reassessment. Bart Brown, Chief Financial Officer for the Council, stated that time is of the essence. He said that the 2003 reassessment made tax bills late and caused the City to borrow money until tax revenues came in. He said that the City would incur additional costs because of tax replacement credits if they withhold the budget. The trending is causing the assessments to be delayed, but the budget must be submitted on time.

Councillor Mahern asked about the two IMPD employees and if they are paid out of the Public Works or the IMPD budget. Kumar Menon, Director of the Department of Public Works (DPW), stated that these two individuals are a retired and a reserve officer who work nights and weekends to enforce the Code with regard to trash and illegal dumping. These officers can arrest, charge and fine individuals in violation of the ordinance. He said that the two officers work for DPW but are on contract loan from the Indianapolis Police Department (IPD). Councillor Mahern asked if they are part of the union contract. Mr. Menon said that they are not. Mr. Seidenstein clarified that this arrangement has been in existence for two or three years. He added that although they are putting 3% into the budget for increases, it does not necessarily mean that everyone across the board will get a 3% increase. He said that there is some flexibility for the department director to award raises per Human Resources guidelines.

Chairman Conley asked if these two officers are then on DPW's payroll. Mr. Seidenstein said that they are actually on IPD's (soon to be IMPD's) payroll, and there is a memorandum of understanding between IPD and DPW for their services.

Councillor Abdullah asked about reimbursement for lost benefit time for those employees who accrue more time than is allowed to roll over to the next year. He asked if the pay increases will help to offset this loss of time. Mr. Menon stated that they work with employees on a month-to-month basis so that they do not lose their benefit time. He said that some employees in management positions lose a few hours, because they cannot always take time off, but the department tries to assess this quarterly so that employees do not lose their benefit time. Councillor Abdullah said that he would like to have a follow-up discussion on this issue after the budget process is completed. Mr. Seidenstein clarified that there are restrictions as to how many benefit hours an employee can carry over to the next year, and he thinks there is a cap of 176 hours. He said that the balance can be converted to short term disability hours if that cap is not exceeded, but most people work out their vacation time so as not to lose their benefit hours.

Chairman Conley referred to line 14 of the 16-line statement on page 3 of the amendment, and asked if this is an increase in the budget from \$5,539,939 to \$5,588,625. Mr. Seidenstein said that there is actually a decrease in the budget and this number represents the fund balance projected at the end of 2007, which will actually increase.

Councillor Moriarty Adams moved, seconded by Councillor Mahern, to "Amend" Proposal No. 432, 2006 as per Exhibit A. The motion carried by a vote of 7-0.

Chairman Conley asked if the Public Works board has to approve the DPW budget. Mr. Menon stated that they do not.

Councillor Moriarty Adams moved, seconded by Councillors Abdullah, Mahern and Keller, to send Proposal No. 432, 2006 to the full Council with a "Do Pass As Amended" recommendation. The motion carried by a vote of 7-0.

PROPOSAL NO. 436, 2006 - adopts the annual budget for Indianapolis and Marion County for 2007 (Public Works portion only)

Mr. Seidenstein provided a proposed amendment for Proposal No. 436, 2006 (Exhibit B) and apologized for getting these amendments to the chair and committee members, as well as the chief financial officer, late. He said that they were scrambling to finish them in the last 30 minutes before the meeting. Chairman Conley stated that the budget is a difficult process and he understands. He said that for clarification, Exhibit B, as submitted, proposes to amend Proposal No. 432, 2006, and this should be changed to reflect the correct proposal number, Proposal No. 436, 2006. Mr. Seidenstein said that this is correct.

Mr. Seidenstein said that Exhibit B only pertains to the pages affecting the DPW portion of the budget. The changes on page one of the amendment reflect the 3% salary increase for non-union employees. The change in Character 03 is due to an error when putting together the budget. When the budget was first submitted, the rent cost for the Indianapolis Fleet Services (IFS) facility was left out. Chairman Conley asked if this was strictly an oversight. Mr. Seidenstein said that it was.

Mr. Seidenstein added that the change of \$900 in Character 05 is due to IFS chargebacks not totaling out at zero, making this correction necessary. All of the Character 01 changes in the funds on page two are due to the 3% salary increase. He said that on page three, the amendment shows the changes approved by the Community Affairs Committee earlier this week regarding distributions to the Marion County Soil and Water Conservation District (MCSWCD) and the Noble Centers. He said that MCSWCD had an increase in rent, and the City will transfer money from the Stormwater Utility fund to pay that appropriation to the Auditor, in order to try and conserve fund balance in the County General Fund for public safety needs. He said that because they are using stormwater revenues, he wanted to make sure this committee was aware of that change.

Councillor Cain asked if money has not already been taken from Stormwater Management for public safety. Mr. Seidenstein said that this is a different fund, and he will review that later as he explains the rest of the proposed amendment.

Councillor Mahern said that on page two under the Stormwater Management Fund, the Character 05 internal charges number was crossed out in the original published budget column. He asked if this is an error. Mr. Seidenstein agreed that this is an error and the number should not be crossed out.

Mr. Seidenstein said that on page four of the proposed amendment, the intragovernmental revenue number was adjusted to reflect the reimbursement to IFS for fuel from the Marion County Sheriff's Department (MCSD). He said that the MCSD has that appropriation of \$100,000 in the budget. There is no transfer to the Marion County General Fund, so that line was eliminated, and the other change listed as a transfer from Redevelopment to the Department of Metropolitan Development (DMD) General subfund is shown, although it does not pertain to this committee.

Councillor Mahern stated that the MCSD has never had enough money to pay the outstanding fuel costs. He asked if they now have that money available. Mr. Seidenstein said that the MCSD has caught up their payments and is staying current. They project that they will have the funds to pay that bill.

Councillor Moriarty Adams asked about the transfer to the IMPD General Fund. Mr. Seidenstein said that he believes this is a transfer to help fund the new IMPD. Originally, IPD got an appropriation out of the Consolidated County Fund, but now there is no appropriation directly out of that fund. Chairman Conley asked if Mr. Brown is aware of this \$5 million transfer. Mr. Brown said that it has been discussed with him, and this amount is actually less than he anticipated. Mr. Seidenstein said that this amount is actually less than IPD received from this fund this year, which was \$11 million. He said that the change in the amount is due to the transfer of the Arrestee Processing Center (APC) back to the Sheriff's Department from IPD.

Mr. Seidenstein said that the change in sub-item (d) on page 4 is a technical correction, and this is a standard practice and is not new, as most of these transfers are already taking place and the amounts are the same. He said that the last line reflects that the transfer is being repaid in 2007.

Councillor Moriarty Adams asked if this repayment is for the jail beds. Mr. Seidenstein said that this is correct. He said that it must be paid back before June 30, 2007. Councillor Moriarty Adams asked the total amount of the Advanced Wastewater Treatment (AWT) payment in lieu of taxes (PILOT) to be transferred into IMPD and Fire General. Mr. Seidenstein said that \$5.4 million is for IMPD, and \$3.6 million will go to Fire General, totaling \$9 million.

Councillor Cain asked for an explanation of the PILOT. Mr. Clifford said that the PILOT is a creature of State law, allowing a payment in lieu of taxes to other taxing districts. He said that the AWT PILOT began in 1990, was increased sometime in 2001 or 2002, and increased again in 2003. A PILOT is often enacted when there is an investment in property that is not on the tax rolls, and it costs the City to provide services to this

property. He added that he can get Councillor Cain more information on this PILOT. Councillor Cain asked if they have always taken money from this fund. Mr. Clifford said that they have taken money from this fund since it was established in 1990 and have taken \$9 million from this fund since 2003.

Mr. Seidenstein pointed out that there is revenue in the Consolidated County Fund also that comes from the Waterworks PILOT, which is distributed to all districts. Mr. Clifford said that the Waterworks PILOT was part of the ordinance that created Waterworks and some of those revenues go outside of Marion County, such as to Plainfield. Councillor Moriarty Adams asked what the total is for that PILOT. Mr. Clifford said that it is just over \$10 million and is calculated as though Waterworks were a privately owned firm.

Mr. Seidenstein said that the change on page five of Exhibit B is a technical correction and was simply an error by his office. He said that in sub-item (g), the transfer from the Stormwater Management Utility Fund is shown to the Soil and Water Conservation District. He said that MCSWCD deals with erosion control, and therefore, this seemed like an appropriate way to fund that agency. On page six of the proposed amendment, they eliminated transfers that are no longer taking place and added the transfer to the Transportation Fund from the Maintenance Operations Fund. He said that the other change on that page is technical, changing "Police" to "IMPD" due to the new structure of the consolidation. The changes on page seven are simply to clarify the correct source of transfers and eliminate transfers no longer in effect. The changes in the 16-line statements on pages 8 through 14 reflect the changes already discussed. On page 10, the Maintenance Operations Fund is zeroed out. Page 15 makes a technical change from "Police Service District" to "IMPD" and page 17 shows the new pay scale for 40-hour-a-week employees. He said that the minimum pay amounts are 3% higher than the scale from 2006. The new scale also has 19 pay grades instead of 16, which now covers all City and County agencies and departments for 40-hour weeks. He said that there is a separate scale for employees who work 37.5 hours a week, which are all County agencies. On page 18, the full-time equivalent (FTE) positions were summarized in the department as a whole, instead of listing them out by division. This will allow department directors and division administrators more flexibility in moving a person from one division to another within the same department, without affecting the budget.

Councillor Cain asked where the money from the Maintenance Operations Fund shows up after it is zeroed out. Mr. Seidenstein said that it shows up in the Transportation General Fund on page 12 of the amendment in line seven.

Councillor Mahern asked if all dues and memberships, as listed on pages 15 and 16, are the same. Mr. Menon said that they were cut drastically two years ago, and have remained the same since.

Councillor Moriarty Adams moved, seconded by Councillor Mahern, to "Amend" Proposal No. 436, 2006 as per Exhibit B. The motion carried by a vote of 7-0.

Councillor Abdullah moved, seconded by Councillors Moriarty Adams and Mahern, to send the Public Works portion of Proposal No. 436, 2006 to the full Council with a "Do Pass As Amended" recommendation. The motion carried by a vote of 7-0.

There being no further business, and upon motion duly made, the meeting was adjourned at 5:59 p.m.

Respectfully Submitted,

Lonnell Conley, Chairman

LC/ag